

Information regarding the State tax rates for food, drugs, medicines and medical appliances may be found at 86 Ill. Adm. Code 130.310. (This is a GIL.)

July 11, 2006

Dear Xxxxx:

This letter is in response to your letter dated May 30, 2006, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.tax.illinois.gov to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

I represent COMPANY, a direct selling company that is in the start-up process.

The company will begin selling its products on July 1, 2006.

In anticipating this, the company is reviewing the taxability of its products; however, there are two products that the company was not able to determine the taxability of.

These products are:

- PRODUCT1 and
- PRODUCT2

I have enclosed literature on both products to assist you in your determination.

A ruling is requested on the taxability of these products.

Thank you for your assistance.

DEPARTMENT'S RESPONSE:

Information regarding the tax liabilities for food, drugs, medicines and medical appliances may be found at 86 Ill. Adm. Code 130.310. In addition, the Department has issued numerous letters rulings regarding the tax liabilities of various food, drug and medicinal products. You may locate the Department's regulations and letter rulings on the Department's Internet website under the heading of "Laws/Regs/Rulings."

I hope this information is helpful. If you require additional information, please visit our website at www.tax.illinois.gov or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess
Associate Counsel

EEB:msk